

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 91  
MIDDLETOWN, INDIANA

January 1, 2003 to December 31, 2003





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## OFFICIALS

### Office

### Official

### Term

Chairman, Bureau of Motor  
Vehicles Commission

Mr. Gerald Coleman  
Ms. Mary DePrez

01-06-02 to 02-29-04  
03-01-04 to 01-05-05

Branch Manager

Mrs. Bonnie Garrett  
Mrs. Patricia Lockhart

01-01-03 to 05-18-03  
05-19-03 to 12-31-04



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 91 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 13, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBER 91  
 MIDDLETOWN, INDIANA  
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS  
 January 1, 2003 to December 31, 2003

	<u>Amount</u>
Collections:	
Registrations	\$ 1,387,741
Titles	238,955
Drivers Licenses	52,192
Watercraft	46,843
Miscellaneous	<u>181</u>
Total	<u><u>\$ 1,725,912</u></u>
Distributions:	
State Fees	\$ 672,311
County Tax	883,928
Commission Fees	<u>169,673</u>
Total	<u><u>\$ 1,725,912</u></u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 91  
MIDDLETOWN, INDIANA  
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBER 91  
 MIDDLETOWN, INDIANA  
 STATISTICAL INFORMATION  
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle Registrations:	
Passenger	6,256
Motorcycle	325
RV (Housecar)	268
Light Truck	3,482
Other Truck	141
Farm Truck	173
Tractor	55
Trailer	1,734
Semi-Trailer	125
School and Church Bus	71
Other Bus	15
Other	11
	<hr/>
Total Vehicle Registrations	<u>12,656</u>
Drivers Licenses and Permits:	
Drivers Licenses/Learners Permits	2,280
CDL Licenses/CDL Permits	173
Placards	319
Other	1,344
	<hr/>
Total Drivers Licenses and Permits	<u>4,116</u>
Titles:	
Vehicles	4,927
Watercraft	135
	<hr/>
Total Titles	<u>5,062</u>
Total Watercraft Registrations	<u>837</u>



STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 91  
MIDDLETOWN, INDIANA  
EXAMINATION RESULTS AND COMMENTS

DEPOSIT COMPOSITION

The composition of cash, checks and credit card totals per the cash register tape did not agree with the breakdown on the bank deposit tickets and credit card deposit forms.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) IC 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that many items had not been included in the year end inventory.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBER 91  
MIDDLETOWN, INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2004, with Mrs. Patricia Lockhart, Branch Manager. The official concurred with our findings.